

# **Argent Capital Management, LLC Verification and Argent SMID Cap Composite Performance Examination Report**

**December 31, 2022**





## Verification and Performance Examination Report

Chief Compliance Officer  
Argent Capital Management, LLC

We have verified whether Argent Capital Management, LLC (the “Firm”) has, for the periods from April 1, 2017 through December 31, 2022, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. We have also examined the Firm’s Argent SMID Cap Composite for the periods from January 1, 2020 through December 31, 2022.

The Firm’s management is responsible for its claim of compliance with the GIPS standards, the design and implementation of its policies and procedures, and for the accompanying Argent SMID Cap Composite’s GIPS composite report. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards, which includes testing performed on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from April 1, 2017 through December 31, 2022, the Firm’s policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.



A verification covering the periods from January 1, 2003 through March 31, 2017 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the Argent SMID Cap Composite and calculated the Argent SMID Cap Composite's performance for the periods from January 1, 2020 through December 31, 2022 in compliance with the GIPS standards; and
- Prepared and presented the accompanying Argent SMID Cap Composite's GIPS composite report for the periods from January 1, 2020 through December 31, 2022 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any specific performance report of the Firm other than the Firm's accompanying Argent SMID Cap Composite's GIPS composite report, or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

*ACA Group*

ACA Group, Performance Services Division

June 30, 2023

# Argent Capital Management, LLC

## ARGENT SMID CAP COMPOSITE

January 1, 2020 through December 31, 2022

| For the period ending December 31,                 | Composite Return % Gross-of-Fees | Composite Return % Net-of-Fees | Russell 2500 Return (%) | Composite 3-Yr St. Dev (%) | Russell 2500 3-Yr St. Dev (%) | Number of Composite Accounts | Composite Assets (\$ millions) | Firm Assets (\$ millions) | Internal Dispersion (%) |
|--|----------------------------------|--------------------------------|-------------------------|----------------------------|-------------------------------|------------------------------|--------------------------------|---------------------------|-------------------------|
| 2022   | -22.82                           | -23.49                         | -18.37                  | 26.04                      | 25.16                         | 7                            | 2                              | 2,828                     | 0.13                    |
| 2021   | 35.43                            | 33.89                          | 18.18                   | NA                         | NA                            | 5                            | 2                              | 3,517                     | 0.46                    |
| 2020   | 15.75                            | 14.72                          | 19.99                   | NA                         | NA                            | 4                            | 2                              | 2,874                     | NA                      |
| Three -Year Annualized                             | 6.55                             | 5.53                           | 5.00                    |                            |                               |                              |                                |                           |                         |
| <b>Information for period(s) December 31, 2022</b> |                                  |                                |                         |                            |                               |                              |                                |                           |                         |
| 4th Quarter 2022                                   | 9.11                             | 8.88                           | 7.43                    | 26.04                      | 25.16                         | 7                            | 2                              | 2,828                     |                         |
| Since Inception Annualized                         | 6.55                             | 5.53                           | 5.00                    |                            |                               |                              |                                |                           |                         |

*Disclosures:*

- Argent Capital Management, LLC ("Argent") is a registered investment adviser with United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. As of October 2022, Argent was redefined to exclude the wrap division. Argent claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Argent has been independently verified for the periods January 1, 2003 through December 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Argent SMID Cap Composite has had a performance examination for the periods January 1, 2020 through December 31, 2022. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- This composite represents investment performance for portfolios in U.S. equities with both mid & small-capitalization showing strong earnings, with both growth and value characteristics, for which Argent has sole investment discretion. Portfolios typically include 40-50 equity holdings and cash targeted to be less than 10% of total portfolio value. This composite inception date is December 2019 and was created in December 2020. A list of composite descriptions and broad distribution pooled funds are available upon request.
- The benchmark is the Russell 2500® Index which measures the performance of the 2,500 smallest companies in the Russell 3000 Index, with a median capitalization of \$1.2 billion. Russell Investment Group is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a presentation of Argent. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in Argent's presentation thereof.
- Valuations are computed and performance reported in U.S. currency. Performance results are total return, (i.e. include the reinvestment of all income, including but not limited to dividends received). Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is no guarantee of future results. There is no guarantee that strategies, systems, indicators, or signals will result in profits or that they will not result in a full loss or losses. All investors are advised to fully understand all risks associated with any kind of investing they choose to do.
- Gross-of-fee fee returns are presented before management and certain custodial fees, but after all trading expenses except where commissions have been waived or for accounts with asset-based pricing fees. Net-of-fee performance is calculated by reducing gross performance by actual management fees incurred and any asset-based-pricing fees for applicable portfolios as asset-based-pricing fees are considered a trading expense. During 2020 - 2022, all portfolios in the composite had their commissions waived.
- Standard annual advisory fees are calculated as a percentage of assets under management according to the following schedule; 1% on the first \$1M, .80% on the next \$2M, .65% on the balance thereafter, although fees may be negotiated or waived in certain circumstances. Non-fee-paying accounts are reduced by a model fee derived by applying the standard fee schedule in effect for the respective period.
- Internal dispersion is calculated using the asset-weighted standard deviation of all portfolios that were included in the composite for an entire year, net of fees. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The external deviation is based on the 36-month gross-of-fees returns of the composite and the benchmark. The standard deviation is not presented for 2020 & 2021 since the composite inception date of 12/31/19 does not provide historical data to calculate a 3-year formula.